

Examining the Impact of Servant Leadership on Employee Agility and Organizational Performance: An Empirical Study in the Software Industry

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Abstract

In the swiftly evolving software industry, effective leadership assumes a pivotal role in shaping organizational frameworks. This empirical investigation delves into the interconnectedness among servant leadership, employee agility, and organizational performance within software houses. Utilizing data collected from employees in Lahore, Pakistan-based software houses, the research employs Partial Least Squares Structural Equation Modeling (PLS SEM) for analysis. Results underscore the pivotal role of servant leadership in propelling employee agility, thereby influencing organizational performance. Notably, the study reveals that servant leadership principles cultivate a supportive workplace, elevating employee engagement and commitment. Furthermore, the research accentuates employee agility as a pivotal intermediary linking servant leadership to organizational performance, highlighting its instrumental role in navigating the dynamic software landscape. These findings offer substantial implications for leadership strategies seeking to foster a unified, adaptable workforce and augment organizational efficacy within the software domain. By contributing insights to leadership and agility literature, this study provides actionable guidance for organizational leaders striving to optimize performance outcomes amid the ever-evolving software industry.

Keywords: Servant Leadership, Employee Agility, Organization Performance, Software Houses

Introduction

Navigating the tumultuous and ever-changing landscape of today's business environment poses a significant challenge for numerous corporations striving for business excellence. To navigate this chaos, organizations have redefined their strategies, aiming to thrive within this unpredictable business order (Hilton et al., 2021). Within these organizations, individuals play a pivotal role in devising, executing, and assessing actions aligned with the institution's goals, posing a challenge to harmonize both institutional objectives and individual aspirations for optimal performance. Leadership stands as a critical element in this pursuit, becoming an integral part of managing

individuals, teams, and entire organizations. Leadership, characterized by vision development, directional determination, effective communication, motivation, and inspiration of followers, serves as a linchpin for achieving organizational success(Mwita & Mrema, 2023).

Servant leadership, in particular, emerges as a vital leadership style for fostering high performance across various organizational levels. This approach empowers followers with the primary aim of achieving excellence in the organization while nurturing open communication between managers and employees, thereby aligning the natural aspirations of followers with organizational objectives(Kalsoom & Zámečník, 2023). Such a leadership paradigm proves to be the most effective solution to address multifaceted challenges prevalent in today's modern workplaces, effectively meeting the inherent belonging needs of workers(Meuser & Smallfield, 2023). The concept of employee agility, defined by the capacity to quickly adjust, acquire new skills, and react effectively to evolving situations, carries significant weight within the realm of software development(Salmen & Festing, 2022). With the continuous evolution of technology and the persistent demand for skill enhancement, the agility of employees emerges as a pivotal element for sustaining competitiveness and fostering innovation within software companies(Breu et al., 2002).

The software industry is a constantly changing and fast-paced field, marked by ongoing technological progress, evolving customer expectations, and intense market competition(Wang, 2023). Within this ever-shifting landscape, effective leadership plays a pivotal role, not only in guiding organizational direction but also in nurturing an environment that encourages adaptability and creativity(Cawthorpe, 2023). Among the diverse leadership styles available, servant leadership has garnered attention as an impactful approach(Meuser & Smallfield, 2023). It places a strong emphasis on a leader's dedication to meeting the requirements of their team members, fostering their development, and creating an atmosphere that fosters achievement(Maheshwari & Kha, 2023). Servant leadership, conceptualized by(Greenleaf, 1970), centers on the leader's dedication to the growth and well-being of employees, encouraging collaboration, empowerment, and ethical decision-making. This leadership style presents an intriguing avenue for exploration within the context of the software industry, where agility, innovation, and high-performance standards are prerequisites for sustained success(Kalsoom & Zámečník, 2023).

The software industry operates in a constantly evolving environment marked by rapid technological advancements and changing consumer demands. Effective leadership in this dynamic setting plays a pivotal role not just in guiding strategic decisions but also in nurturing a culture that fosters adaptability and innovation(Ellahi et al., 2022). Servant leadership has emerged as a compelling leadership paradigm, emphasizing the leader's commitment to serving their team, promoting growth, and cultivating an environment conducive to success(Harwardt, 2020). However, the specific impact of servant leadership on employee agility and overall organizational performance within the software industry lacks empirical validation. Simultaneously, employee agility, denoting the ability to swiftly adapt and learn in response to

the industry's rapid changes, stands as a crucial factor for maintaining competitiveness and driving innovation within software houses. Bridging this gap through empirical investigation, this study aims to explore the relationship between servant leadership, employee agility, and organizational performance metrics, providing valuable insights for leadership practices and organizational strategies in the dynamic software landscape. Understanding how servant leadership influences employee agility and organizational performance is vital for optimizing workforce capabilities and enhancing overall organizational effectiveness in the software industry's fast-paced setting.

Concurrently, the software industry's performance metrics are multifaceted, encompassing aspects like product quality, speed of delivery, customer satisfaction, and financial indicators (P. C. Susanto et al., 2023). Understanding how servant leadership practices influence not only employee agility but also these organizational performance metrics is vital for leaders aiming to optimize their firm's operations and outcomes. Despite the theoretical discussions advocating the potential benefits of servant leadership and its probable impact on employee agility and organizational performance, empirical evidence within the software industry remains relatively scarce. This research seeks to address this gap by conducting an empirical study to investigate the relationship between servant leadership, employee agility, and various dimensions of organizational performance in software houses. Through a meticulous empirical analysis, this study aims to uncover the underlying dynamics and nuances of how servant leadership practices within software companies influence the agility of their employees and subsequently impact the overall organizational performance. By exploring these connections, this research endeavors to offer insights that can inform leadership practices and organizational strategies, contributing to the enhancement of operational efficiency and competitive advantage within the software industry.

The study aims to discern the influence of servant leadership practices on the agility of employees and subsequently evaluate their impact on various dimensions of organizational performance metrics in software houses. In this empirical study, several key research questions guide the investigation. Firstly, how does the practice of servant leadership influence the agility of employees working within software houses? Secondly, what specific dimensions of employee agility are affected by the implementation of servant leadership principles in the context of the software industry? Thirdly, what is the nature of the relationship between employee agility fostered by servant leadership and various indicators of organizational performance. Lastly, how do servant leadership practices contribute to enhancing overall organizational performance in the fast-paced and dynamic landscape of the software industry? These research questions aim to dissect and understand the intricate interplay between servant leadership, employee agility, and organizational performance, providing empirical insights essential for enhancing leadership strategies and optimizing organizational effectiveness in the software domain.

Literature Review

The existing body of literature highlights instances where certain companies or organizations achieve superior performance compared to their competitors, yet the precise reasons for this outperformance remain ambiguous (Halalmeh, 2021; B. Susanto et al., 2023). Attaining optimal performance and growth stands as a primary objective for numerous corporate entities, whether public or private (Li et al., 2023). The relentless pursuit of enhancing output and productivity drives organizations to seek maximum benefits and returns from their resources. These resources encompass various facets including financial, operational, technical, and notably, human resources (HR). Notably, in the 21st century, there has been a renewed focus on the human aspect within organizational resources. Recent research studies underscore the significance of employee performance as a pivotal component within the machinery driving the distinction in corporate firms' and organizational performance. The growing number of studies emphasizes the pivotal role played by employees in determining the performance trajectory of these entities (Halalmeh, 2021; N. Kumar et al., 2023; Nadzim & Halim, 2022).

In contemporary organizational settings, there is a growing focus on leadership paradigms that prioritize the well-being and development of followers and subordinates, rather than solely emphasizing the glorification of leaders (Van Dierendonck, 2011; Winston & Fields, 2015). The concept of servant leadership, coined by Greenleaf and Spears (2002), revolves around the innate desire to serve others, probing whether those served undergo personal growth becoming healthier, wiser, more autonomous, and inclined towards serving others. Servant leadership accentuates a leader's dedication to enhancing the performance and development of their followers and subordinates (Barbuto & Wheeler, 2006; Van Dierendonck, 2011; Winston & Fields, 2015). This support can be direct, through mentoring or coaching by the leader, involving followers in training, or indirect, by fostering a supportive, morally transparent work environment (Liden et al., 2008). Such person-centered approaches foster secure and robust relationships within the organizational context (Van Dierendonck, 2011). Notably, organizations across governmental, private, and non-profit sectors have increasingly recognized and expressed interest in cultivating servant leadership internally (Winston & Fields, 2015).

Servant leadership, though valued for its emphasis on serving others, presents a paradoxical challenge within organizations (Winston & Fields, 2015). Traditional organizational tactics, consolidating power within a few individuals and expecting conformity from employees, stand in contrast to the servant leadership approach (N. Kumar et al., 2023). Transformational and charismatic leadership models focus on engaging followers to achieve organizational goals, differing from servant leadership, which centers on both employee well-being and organizational welfare (Bass & Riggio, 2006). However, defining servant leadership remains multifaceted, encompassing various aspects like humility, healing, persuasion, relational power, and wisdom (Barbuto & Wheeler, 2006; Liden et al., 2008; Winston & Fields, 2015). The theory of servant leadership proposes that leaders exhibiting specific behaviors influence employee perceptions and subsequent actions through social exchange (Nadzim & Halim, 2022; P. C. Susanto et al., 2023). In practice, implementing servant leadership within an organization

necessitates a leader's focus on fostering an environment that supports followers' growth and development while serving both the followers and the organization (Khan et al., 2022). Contrary to other leadership styles, servant leadership places emphasis on personal growth and development, alongside the organization's interests (Winston & Fields, 2015).

Empirical studies distinguish servant leadership from other models by highlighting its focus on service, attention to employees, and means that offer greater autonomy (Parolini et al., 2009). These studies also link servant leadership with outcomes like perceived supervisor support, employee commitment, organizational citizenship behavior, procedural justice, satisfaction, and in-role performance (Liden et al., 2008). Additionally, servant leadership predicts organizational citizenship behavior, employee commitment, and enhanced employee self-efficacy (Walumbwa et al., 2010). It has also shown positive associations with employee satisfaction, empowerment, job satisfaction, organizational commitment, promotion focus, and creative behaviors (Van Dierendonck, 2011). Furthermore, servant leadership has been associated with followers' perceptions of outcomes related to freedom, autonomy, wisdom, follower health, and a desire to serve (Hayden, 2011). Overall, servant leadership, through its personal commitment to followers, might enhance organizational performance by aligning personal commitments with organizational goals (Khan et al., 2022; N. Kumar et al., 2023; Winston & Fields, 2015).

There is a wealth of literature suggesting that certain companies or organizations achieve superior performance compared to their counterparts, although the precise reasons for this outperformance remain unclear (Halalmeh, 2021; Khan et al., 2022). Variations in performance might stem from local circumstances, diverse product or service offerings, historical developments, cultural disparities, industry complexity, or even fortuitous circumstances (B. Susanto et al., 2023). Moreover, numerous studies indicate correlations between the strategies and methodologies employed by organizations and the resulting organizational performance (Abbasi Esfanjani, 2023). Muduli (2015) highlights that organizational performance is often assessed using specific measures such as profit, turnover, or market value. Scholars are increasingly inclined toward market-based financial performance indicators as accounting-derived profitability metrics are prone to various biases. "Organizational performance," as defined by Almatrooshi, Singh, & Farouk (2016) and Cho & Dansereau (2010), refers to an organization's performance in relation to its objectives and goals. Furthermore, Tomal and Jones (2015) delineate organizational performance as the actual outcomes of an organization measured against its anticipated results.

Agility manifests across various organizational strata, encompassing organizational, team, and individual levels, each contributing to adaptability in a dynamic environment (Pulakos et al., 2019). This study, however, delves into employee agility for specific reasons. First, research highlights that core employees' contributions significantly impact team and organizational agility (Harsch & Festing, 2020). Second, acknowledging the ambiguous comprehension and measurement of employee agility in extant research prompts a deeper examination and reevaluation (Demir et al., 2021). Originating in the 1950s, the term "agility" initially referred to air

force maneuverability (Breu et al., 2002). From the late 1980s, agile practices emerged in organizational settings, notably in software development, as a reaction against cumbersome processes (Kettunen, 2009). The formulation of the Agile Manifesto in 2001 further bolstered agile software development (Kettunen, 2009; Wendler, 2013). The concept expanded into US manufacturing in 1991, addressing the shift towards customized niche products (Nagel & Dove, 1991). Agility, as proposed by Goldmann et al. (1995), served as a strategic framework to manage change and attain competitive advantage amid dynamic market shifts, acknowledging products as more than just physical goods, incorporating information and services. Presently, agile practices and designs, encompassing various methodologies and teamwork structures, are increasingly applied across industries to foster collaboration, flexibility, autonomy, and innovation (Harsch & Festing, 2020; Smite et al., 2019). Scholars identify three interlinked dimensions for building agility: drivers, organizational capabilities, and providers (Sharifi & Zhang, 1999; Tseng & Lin, 2011). Key drivers include external factors like market unpredictability, novel technologies, and evolving stakeholder requirements. Organizational capabilities, such as flexibility and responsiveness, allow adaptation, supported by organizational elements like people, innovation, and technology (Sharifi & Zhang, 1999). The level of organizational agility hinges on developing these capabilities and providers (Zhang & Sharifi, 2007) and is not merely an on/off state (Nijssen & Paauwe, 2012, p. 3316).

Theoretical Framework



H1: Servant Leadership has a positive impact on organization performance.

H2: Servant Leadership has a positive impact on employee agility.

H3: Employee Agility has a positive impact on organization performance.

H4: Employee agility mediates the relationship between servant leadership and organization performance

Research Design

Data collection

The study involved employees employed in Lahore, Pakistan's software houses. To procure the sample, we acquired a roster from PASHA, an association representing software houses, and engaged with the human resource managers of these firms. During these engagements, we outlined the requirement for employee participation in our research, emphasizing that their responses would strictly utilize for research purposes, with guaranteed confidentiality. Subsequently, questionnaires disseminated to employees based on the HR managers' provided schedule. To streamline electronic submissions, Google Forms employed. Collating information from diverse sources, we meticulously structured data within an Excel file, serving as the

foundation for subsequent analysis via Partial Least Squares Structural Equation Modeling (PLS SEM).

A total of 357 responses were gathered, excluding thirteen incomplete responses, culminating in a final sample size of 344 participants. The evaluation of servant leadership in this study involves a nine-item scale adapted from (Jacobs, 2006), which originally used a seven-point Likert scale; for this research, it converted to a five-point Likert scale to ensure survey questionnaire uniformity and convenience. The assessment of employee agility, utilizing a 14-question scale encompassing proactivity, adaptability, and resilience, derived from (Alavi et al., 2014). Furthermore, organizational performance, indicating group achievements, evaluated using a four-item scale sourced from (García-Morales et al., 2008).

Results

In this research, we utilize Partial Least Squares Structural Equation Modeling (PLS SEM) for a two-stage analysis, encompassing an Assessment Model and a Measurement Model (J. F. Hair et al., 2012; Henseler et al., 2009). The Measurement Model intricately links items/variables with their respective indicators, with a focus on assessing its validity through both discriminant and convergent validity (Henseler et al., 2009). Confirmatory Factor Analysis (CFA) is employed to evaluate these aspects, while the reliability is assessed using Composite Reliability, considered more robust than Cronbach Alpha (Starkweather & Hames, 2012). Construct validity is examined through measures of convergent and discriminant validity. Composite reliability undergoes scrutiny for each item, setting a minimum acceptable item loading threshold of 0.50 in accordance with (J. F. Hair et al., 2014). Table 1 illustrates the factor loadings for each item, surpassing the 0.50 threshold, affirming the presence of composite reliability in the dataset. Any item falling below this threshold is eliminated, and the analysis is re-run to re-assess the loadings. Figure 1 showcases the model alongside the factor loadings, while Table 1 highlights the consistency of the items, all exceeding a value of 0.7, signifying a high level of consistency among them.

Aligned with (Bagozzi et al., 1991) principles, the study evaluates discriminant and convergent validity, integral components of construct validity. Average Variance Extracted (AVE) is employed to confirm convergent validity, requiring values above 0.50 to demonstrate it (Fernandes, 2012; J. Hair et al., 2017; J. F. Hair et al., 2012, 2014). As shown in Table 1, the AVE values 0.514, 0.599, and 0.529 all meet the established criterion, affirming the convergent validity of this study.

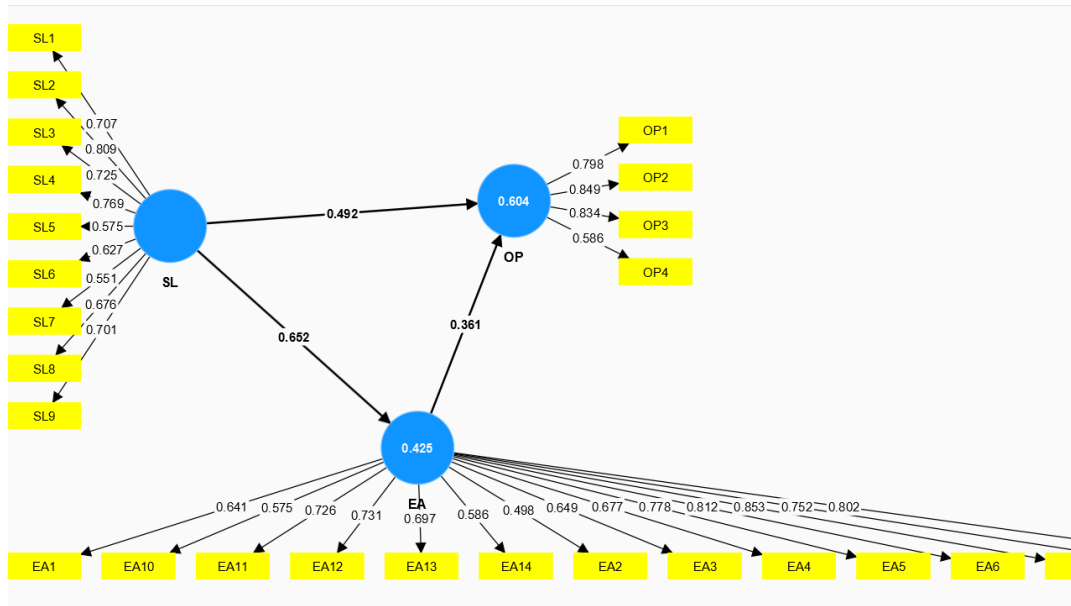


Figure 1 Measurement Model

Table 1 Reliability & Convergent Validity

Construct	Variable Item	Loading	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Servant Leadership	SL1	0.707	0.861	0.882	0.888	0.514
	SL2	0.809				
	SL3	0.725				
	SL4	0.769				
	SL5	0.575				
	SL6	0.627				
	SL7	0.551				
	SL8	0.676				
	SL9	0.701				
Employee Agility	EA1	0.641	0.92	0.925	0.931	0.529
	EA2	0.498				
	EA3	0.649				
	EA4	0.677				
	EA5	0.778				
	EA6	0.812				
	EA7	0.853				
	EA8	0.752				
	EA9	0.802				
	EA10	0.575				
	EA11	0.726				
	EA12	0.731				
	EA13	0.697				
	EA14	0.586				

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	EA11	0.726				
	EA12	0.731				
	EA13	0.697				
	EA14	0.586				
	OP1	0.798				
Organization	OP2	0.849	0.768	0.782	0.854	0.599
Performance	OP3	0.834				
	OP4	0.586				

As per (J. F. Hair et al., 2012), discriminant validity refers to the extent of differentiation between variables. To evaluate this validity, we employ the Heterotrait-Monotrait Ratio (HTMT) test, following the framework outlined by (Henseler et al., 2015). The HTMT Ratio results are presented in Table 2. Table 2 showcases the HTMT Ratio values, adhering to criteria from (Watson et al., 1995) and (Kline, 2011). According to these standards, the HTMT ratio ideally should be less than 0.85 ($HTMT < 0.85$) or, alternatively, lower than 0.90 ($HTMT < 0.90$), as suggested by (Gold et al., 2001). However, our study reveals that all values in Table 2 surpass the 0.90 threshold, contrary to the recommended threshold specified by (Gold et al., 2001).

Table 2 Heterotrait-Monotrait Ratio (HTMT)

	EA	OP	SL
EA			
OP	0.807		
SL	0.687	0.848	

Within our study, the evaluation of Multicollinearity involves scrutinizing the variables' values. Should any variable possess a value surpassing 5, it typically denotes the presence of Multicollinearity. However, as indicated in Table 3, all values fall below 5, indicating the lack of Multicollinearity within our study.

Table 3 Multicollinearity VIF

	EA	OP	SL
EA		1.738	
OP			
SL	1	1.738	

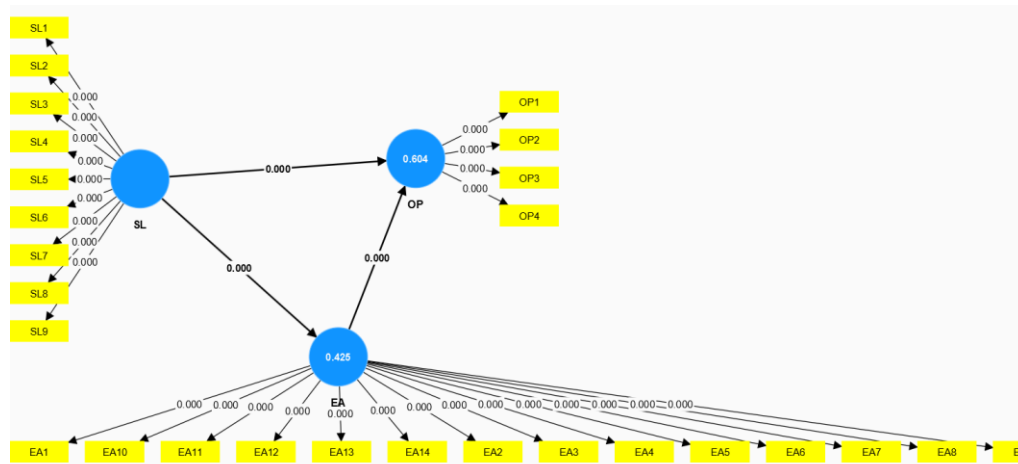


Figure 2 Structural Model

Table 4 Path Analysis

Hypothesis	Relation	Beta	SD	T value	P values	LL	UL	Decision
H1	SL → OP	0.492	0.047	10.364	0	0.401	0.585	Supported
H2	SL → EA	0.652	0.037	17.823	0	0.575	0.725	Supported
H3	EA → OP	0.361	0.043	8.47	0	0.274	0.439	Supported
H4	SL → EA → OP	0.236	0.033	7.116	0	0.168	0.299	Supported

This section depicts the interrelationships among the study variables. Table 4 offers an outline of the proposed connections between the variables and showcases the outcomes of path analysis utilizing SEM PLS. The results indicate a substantial association between Servant Leadership (SL) and organizational performance (OP) ($\beta = 0.492$, $t = 10.364$; LL = 0.401, UL = 0.585), confirming the endorsement of H1. Likewise, Servant Leadership (SL) exhibits a significant correlation with employee agility (EA) ($\beta = 0.652$, $t = 17.823$; LL = 0.575, UL = 0.725), affirming the support for H2. Additionally, the relationship between Employee Agility (EA) and Organization Performance (OP) ($\beta = 0.361$, $t = 8.47$; LL = 0.274, UL = 0.439) validates the fulfillment of all parameters, supporting H3. Moreover, the validated mediation role of Employee Agility (EA) between SL and OP ($\beta = 0.236$, $t = 7.116$; LL = 0.168, UL = 0.299) encompasses all pertinent parameters. Consequently, all hypotheses receive support. Figure 2 presents a comprehensive overview of the structural model assessment.

Coefficient of Determination (R2)

(Henseler et al., 2009)The R-squared (R2) statistic gauges the extent to which the variability in a variable can be collectively elucidated by other variables, as advocated by (Henseler et al., 2009). This metric offers valuable insights into the model's predictive ability. Per (J. F. Hair et al., 2012) and (Henseler et al., 2009), R2 displays the overall variance in the variable influenced by the current set of variables. Diverse interpretations of R2 exist; Chin (1998a) and Cohen (1988)

propose that an R2 value of 0.02 suggests a weak relationship, 0.13 indicates a moderate relationship, and 0.26 signifies a strong relationship (Ittner et al., 2010).

Moreover, the coefficient of determination (R2) provides an alternative method to assess the model's proficiency in structural equation modeling (SEM). Multiple criteria are applied for this evaluation, aligning with guidelines from researchers like Chin (1998a) and Cohen (1988). According to these criteria, R2 values of 0.25, 0.50, and 0.75 correspond to weak, moderate, and strong relationships, respectively, as outlined by Chin (2010).

Table 5 illustrates the R2 values for all variables. According to the table, the constructs "Servant Leadership" and "Employee Agility" collectively explain 59.5% of the variance in "Organization Performance" (OP).

Table 5

R-square of Constructs

Construct	R ²	Effect
Organization Performance (OP)	0.595	Strong

Discussion and Conclusions

The empirical findings substantiate the proposition that Servant Leadership significantly influences organizational performance, underscoring its potential as a valuable leadership paradigm in driving success within organizations. **Hypothesis I:** Positing a positive impact of Servant Leadership (SL) on organization performance (OP) receives robust support from this study's analysis using Partial Least Squares Structural Equation Modeling (PLS SEM). The examination reveals a clear and statistically significant correlation between Servant Leadership and organizational performance, affirming the hypothesis. Servant Leadership, characterized by its dedication to serving and empowering followers while nurturing their growth, emerges as a catalyst for fostering a favorable organizational performance climate (Meuser & Smallfield, 2023). The commitment of Servant Leaders to prioritize employees' needs, facilitate their success, and cultivate a supportive work environment resonates with the fundamental traits of effective leadership documented in previous research (Kalsoom & Zámečník, 2023). The constructive influence of Servant Leadership on organizational performance operates through several pivotal mechanisms. Firstly, by prioritizing employees' needs, Servant Leaders foster trust, empowerment, and commitment among team members, thus elevating their engagement and dedication toward shared organizational objectives.

Secondly, the emphasis on employees' growth and development cultivates a culture of continuous improvement, innovation, and collaboration within the organization. Lastly, the transparent communication, motivation, and inspiration fostered by Servant Leaders play a pivotal role in aligning individual efforts with overarching organizational goals (Ellahi et al., 2022; Harwardt, 2020; Khan et al., 2022). The established significant relationship between Servant Leadership and organizational performance underscores the pertinence and effectiveness of this

leadership style in contemporary organizational contexts. These findings not only reaffirm the significance of leadership approaches centered on employee well-being and support but also offer actionable insights for organizational leaders aiming to enhance performance outcomes through a servant-led approach(Khan et al., 2022).

Hypothesis 2: Servant Leadership's favorable influence on employee agility strongly supported by the outcomes of this study, substantiating Hypothesis 2, which highlights a significant and positive relationship between Servant Leadership (SL) and employee agility (EA). The empirical evidence, gleaned from the application of Partial Least Squares Structural Equation Modeling (PLS SEM), underscores a substantial correlation between these variables, affirming the hypothesis. Servant Leadership's core traits, centered on serving and empowering followers while fostering their growth, emerge as pivotal factors in augmenting employee agility within organizational settings(Breu et al., 2002; Salmen & Festing, 2022). The dedication of Servant Leaders to prioritize employees' needs, facilitate their growth, and foster a nurturing work atmosphere harmonizes effectively with the principles of effective leadership delineated in prior research(Khan et al., 2022). The constructive impact of Servant Leadership on employee agility can be elucidated through several critical pathways. Firstly, the focus on addressing employees' needs under Servant Leadership cultivates an environment of trust, empowerment, and commitment among team members, thereby bolstering their adaptability and openness to embrace change. Secondly, by stressing employees' growth and development, Servant Leadership nurtures a culture of continual learning, agility, and resilience within the organization. Lastly, the communication and motivation instilled by Servant Leaders serve as catalysts, inspiring and empowering employees to exhibit proactivity, adaptability, and responsiveness when navigating dynamic and evolving circumstances(Saputra, 2023). The established significant relationship between Servant Leadership and employee agility underscores the potency of this leadership style in fostering agility among employees within modern organizational landscapes. These findings not only emphasize the importance of leadership focused on nurturing employee development but also offer actionable insights for organizational leaders seeking to enhance employee agility through a servant-led approach(Junianti, 2023).

Hypothesis 3: The study's outcomes strongly endorse Hypothesis 3, indicating a substantial and positive correlation between Employee Agility (EA) and organization performance (OP). Utilizing Partial Least Squares Structural Equation Modeling (PLS SEM), the empirical analysis reveals a notable and substantiated association between these variables, validating the hypothesis. Employee Agility, characterized by the capacity to swiftly adapt, learn, and respond to dynamic circumstances, emerges as a critical factor positively impacting organizational performance within companies(Breu et al., 2002). This agility exhibited by employees significantly contributes to overall organizational effectiveness and success(Buttigieg et al., 2023), aligning seamlessly with prior research emphasizing agility's importance in today's rapidly changing business landscape. The positive influence of Employee Agility on organization performance manifests through several key pathways. Firstly, employees' adeptness in responding

to evolving situations fosters an environment conducive to innovation, rapid decision-making, and adaptability within the organization—essential elements for high-performing entities. Secondly, agile employees demonstrate heightened responsiveness to changing market conditions, customer needs, and technological advancements, thereby elevating productivity, efficiency, and customer satisfaction levels.

Thirdly, employee agility nurtures a culture of resilience and ongoing improvement within the organization, enabling effective navigation of challenges and the seizing of opportunities in a swiftly transforming business environment. The established significant relationship between Employee Agility and organization performance underscores the pivotal role played by agile employees in steering organizational success. These findings emphasize the importance of cultivating agility among employees and offer actionable insights for organizations striving to improve performance outcomes by fostering and nurturing employee agility within their workforce (S. Kumar et al., 2023; B. Susanto et al., 2023).

Hypothesis 4: The study findings strongly support Hypothesis 4, indicating that employee agility acts as a mediator between servant leadership and organization performance. Utilizing Partial Least Squares Structural Equation Modeling (PLS SEM), the empirical analysis substantiates a significant mediated relationship among these variables, confirming the hypothesis. Servant Leadership's impact on organization performance notably influenced by employee agility as a mediator. Servant Leadership, known for its emphasis on serving and empowering followers, plays a pivotal role in fostering and nurturing employee agility within the organization. The dedication of Servant Leaders to prioritize employees' needs, foster their growth, and create an enabling work environment aligns closely with promoting agility among employees, as supported by existing research (Breu et al., 2002; Buttigieg et al., 2023; Harwardt, 2020). The positive impact of Servant Leadership on organization performance is mediated by employee agility through various mechanisms. Firstly, Servant Leaders' focus on employees' needs and growth cultivates an environment conducive to fostering agility among employees, indirectly contributing to improved organizational performance.

Secondly, the supportive and empowering culture fostered by Servant Leaders encourages agile behaviors among employees, resulting in enhanced adaptability, innovation, and responsiveness—all of which significantly influence organizational performance. This established mediated relationship between Servant Leadership and organization performance, facilitated by employee agility, highlights the importance of adopting servant-led approaches to enhance employee agility, thereby contributing to improved organizational performance. These findings offer vital insights for organizational leaders, emphasizing the crucial role of servant leadership in indirectly influencing organizational performance through its impact on cultivating and nurturing employee agility (Alavi et al., 2014; Khan et al., 2022; B. Susanto et al., 2023). Overall, these findings underscore the pivotal role of servant leadership in shaping employee agility, which, in turn, significantly influences organizational performance. The study highlights the importance of fostering servant-led approaches to nurture employee agility, offering actionable

insights for organizational leaders aiming to enhance organizational effectiveness within software houses.

Practical Implication

The study's practical implications highlight servant leadership's crucial influence on shaping organizational dynamics in software houses. Organizations can capitalize on these insights by prioritizing servant-oriented leadership in their developmental programs. Cultivating a culture that esteems servant leadership principles can foster a supportive workplace, bolstering employee engagement and commitment. By encouraging servant leaders to prioritize employee growth and needs, organizations can effectively nurture a more cohesive and adaptable workforce. These findings offer actionable strategies for organizations seeking to refine leadership approaches and create an environment that supports employee well-being and flexibility in the ever-evolving software industry.

Theoretical Implication

The theoretical implications of this study hold considerable weight, advancing leadership theories and agility concepts in organizational settings. The empirical evidence strongly emphasizes the pivotal role of servant leadership in fostering employee agility and, consequently, influencing organizational performance. By substantiating the impact of servant leadership on both employee behaviors and organizational outcomes, this research enriches existing leadership theories. Furthermore, it deepens our comprehension of employee agility as a crucial mediator between leadership styles and organizational success, contributing significantly to the ongoing development of agility theories within organizations. These findings offer a comprehensive understanding of the intricate connections among leadership practices, employee behaviors, and organizational efficacy, thereby augmenting the evolving landscape of leadership and agility literature.

Future Research and Limitation:

Future research endeavors within this field could delve into longitudinal inquiries comprehensively gauge the enduring effects of servant leadership on both employee agility and organizational performance over extended durations, providing nuanced insights into their long-term dynamics. Furthermore, cross-cultural investigations hold promise in furnishing invaluable comparative perspectives, elucidating how servant leadership principles shape agility and performance across diverse cultural landscapes. Explorations into the interplay between contextual factors—such as shifts in industry landscapes or technological advancements and servant leadership effects could augment comprehension within specific organizational contexts. Additionally, comparative studies that dissect the combined influence of various leadership styles alongside servant leadership on agility and performance may unearth the efficacy of amalgamated leadership approaches. Conversely, this research's constraints, stemming from its specific geographic sample and reliance on self-reported data, could potentially limit the generalizability of findings and introduce biases. The study's cross-sectional design restrains the establishment of conclusive causal relationships among variables. Moreover, despite utilizing validated scales,

potential shortcomings in instrument reliability may impact result accuracy. Endeavoring to address these limitations and charting paths for future research can elevate our understanding of servant leadership's multifaceted role, paving the way for more comprehensive strategies that bolster organizational effectiveness and agility.

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